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HOUSE BILL 3071 By  
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SENATE BILL 3027  
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AN ACT to amend Tennessee Code Annotated, Title 38; Title 55 and Title 58, relative to law enforcement mandates on local government.

WHEREAS, the Constitution of the State of Tennessee, Article II, Section 24, prohibits unfunded mandates on local governments by providing that "[n]o law of general application shall impose increased expenditure requirements on cities or counties unless the general assembly shall provide that the state share in the cost"; and

WHEREAS, the general assembly, by passage in 1979 of Tennessee Code Annotated, §9-4-5301, deemed state-shared taxes flowing from the state to cities and counties as the funding vehicle for state mandates; and

WHEREAS, state-shared taxes are generated in local communities, collected by the state, and a portion is returned to the cities and counties for local community needs; and

WHEREAS, there are a number of public policy reasons for local governments to receive state-shared taxes, including that the current system of tax sharing continues the state and local government fiscal partnership; minimizes the burden on the local property tax; maximizes efficiency in taxation; and ensures that local governments have the ability to comply with state

mandates and to provide much needed local services such as public safety, education, transportation, and parks and recreation; and

WHEREAS, municipalities across Tennessee depend upon not only state-shared taxes but the growth of such taxes to ensure adequate revenue is available to keep pace with the rising cost of providing essential services and the need for improved services; and

WHEREAS, the general assembly has stated its intent in the general appropriations act to freeze the growth of state-shared taxes as of June 30, 2002; and

WHEREAS, freezing or cutting state-shared taxes would devastate local governments, forcing massive service cuts or local property tax increase to offset the losses as well as funding mandates imposed upon local governments by the state; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 38-10-103, is amended by adding the following language at the end of the section:

County and municipal law enforcement and correctional agencies shall be reimbursed by the state for their costs associated with submitting such reports. At the end of each fiscal year, a municipality or county shall provide to the comptroller of the treasury a statement of all expenses incurred, and the state shall provide reimbursement within ninety (90) days after receipt of such invoice.

SECTION 2. Tennessee Code Annotated, Section 38-8-107, is amended by adding a new subsection as follows:

(d) City and county governments shall be reimbursed by the state for the recruit training and annual in-service training mandated by subsection (a). At the end of each fiscal year, a municipality or county shall provide to the comptroller of the treasury a statement of all expenses incurred, and the state shall provide reimbursement within ninety (90) days after receipt of such invoice.

SECTION 3. Tennessee Code Annotated, Section 55-10-308, is amended by adding the following language to the end thereof:

Municipalities shall be reimbursed by the state for the responsibility of enforcing the code sections set forth herein. At the end of each fiscal year, a municipality shall provide to the comptroller of the treasury a statement of all expenses incurred, and the state shall provide reimbursement within ninety (90) days after receipt of such invoice.

SECTION 4. This act shall take effect July 1, 2002, the public welfare requiring it.